

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

United States Courts
Southern District of Texas
FILED

DEC 04 2019

David J. Bradley, Clerk of Court

UNITED STATES OF AMERICA

v.

NABEEL "BILL" ARAFAT

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§

CRIMINAL NO. H-19-

19 CR 874

INDICTMENT

THE GRAND JURY CHARGES THAT:

COUNT ONE

(Fraud Scheme in Connection with a Major Disaster – 18 U.S.C. § 1040(a)(1))

I. The Small Business Administration

At all times material to this indictment:

1. The Small Business Administration (SBA) is an agency of the United States that provides long-term, low-interest loans to homeowners, businesses, and non-profit organizations in the aftermath of a declared disaster. SBA disaster loan proceeds are to be used solely for the repair or replacement of real estate, personal property (including motor vehicles), inventory, supplies, machinery and equipment damaged during a declared disaster or for working capital to help a small business recover from economic injury caused by a declared disaster. Individuals seeking SBA disaster loans must provide truthful and correct information to the SBA at all phases of the disaster loan process. Recipients of SBA disaster loans must repay the funds to the SBA over the term and at the interest rate designated in the disaster loan promissory note. Recipients of SBA disaster loans must return to the SBA any disaster loan disbursements not used to replace or repair property damaged by the disaster.

2. Upon a Presidential disaster declaration, an applicant may first register with FEMA

to obtain a registration number. Application for assistance can be completed online for all types of SBA disaster assistance loans as well as by U.S. mail or in person. To be eligible for SBA disaster assistance loans, applicants must be located in a declared disaster area.

3. On or about August 25, 2017, President Donald J. Trump declared Hurricane Harvey that impacted the State of Texas, including the Houston area, a major disaster area under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (“Stafford Act”). As a result, residents in those affected areas were eligible to apply directly to the SBA for low interest disaster loans to repair damage to their primary residences and businesses.

II. The Scheme to Defraud the Small Business Administration

4. Beginning in or about September 2017, and continuing until in or about December 2018, in the Southern District of Texas, the defendant, **NABEEL “BILL” ARAFAT**, did knowingly and willfully devise and intend to devise a scheme and artifice to defraud the United States of America and the SBA to obtain money from the SBA by means of materially false and fraudulent pretenses and representations, knowing and having reason to know that such pretenses and representations were and would be materially false and fraudulent when made and caused to be made.

5. Beginning in or about September 2017, and continuing until in or about December 2018, the defendant, **NABEEL “BILL” ARAFAT**, made a materially false, fictitious, and fraudulent statement and representation to the SBA in an application for benefits authorized, transported, transmitted, disbursed, and paid with SBA funds in connection with the Presidential Disaster Declaration for the Houston area issued on August 25, 2017, said declaration having been made under the Stafford Act and the benefit referenced above concerned a record, voucher,

payment, money, or thing of value of the United States or any department or agency thereof; that is, the defendant, **NABEEL “BILL” ARAFAT**, knowingly and fraudulently represented to the SBA, during the application process for assistance pertaining to property damage caused by Hurricane Harvey, that he sustained damage from Hurricane Harvey to property located at 12971 Westheimer Road; Houston, TX 77077, when in fact, as he then and there knew, he did not sustain damage to the property as he represented.

6. It was part of the scheme and artifice to defraud and to obtain money by means of materially false and fraudulent pretenses and representations that the defendant, **NABEEL “BILL” ARAFAT**, applied for SBA assistance by falsely stating that he sustained damage from Hurricane Harvey to property located at 12971 Westheimer Road; Houston, TX 77077, when in fact, as he then and there knew, he did not sustain damage to the property as claimed. The defendant submitted or caused others to submit falsified records that were intended and calculated to make the fraudulent application and claim for financial assistance appear legitimate.

7. It was further part of the scheme and artifice to defraud and to obtain money by means of materially false and fraudulent pretenses and representations that the defendant, **NABEEL “BILL” ARAFAT**, designated his personal bank account at JP Morgan Chase Bank, as the payee account for any SBA disaster loan proceeds received in connection with the damages Hurricane Harvey caused to property located at 12971 Westheimer Road; Houston, TX 77077.

8. As a result of his scheme and artifice to defraud and to obtain money by means of materially false and fraudulent pretenses and representations, the defendant, **NABEEL “BILL” ARAFAT**, received from the SBA \$999,900, all of which was sent by EFT into his bank account.

All in violation of Title 18, United States Code, Section 1040.

COUNTS TWO THROUGH SIX
(Wire Fraud – 18 U.S.C. § 1343)

9. The allegations in Count 1, paragraphs 1-8, are incorporated and re-alleged as though set forth in full herein as to the scheme to defraud.

10. On or about the dates listed below, in the Southern District of Texas and elsewhere, the defendant, **NABEEL “BILL” ARAFAT**, for the purpose of executing the above-described scheme, did knowingly cause to be transmitted by means of wire communications in interstate commerce, certain signs, signals, and sounds, between the U.S. Department of the Treasury in Kansas City, Missouri and JP Morgan Chase Bank in Houston, Texas.

COUNT	ELECTRONIC TRANSFER DATE	AMOUNT OBTAINED
2	September 25, 2017	\$50,000
3	October 2, 2017	\$113,000
4	October 24, 2017	\$509,100
5	November 28, 2017	\$99,400
6	December 26, 2017	\$228,400

All in violation of Title 18, United States Code, Section 1343.

NOTICE OF CRIMINAL FORFEITURE
(18 U.S.C. § 981(a)(1)(C); 28 U.S.C. §2461(c))

Pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), the United States gives notice that upon Defendant's conviction of a wire fraud offense charged in this Indictment, the United States intends to seek forfeiture of all property, real or personal, which constitutes or is derived from proceeds traceable to such offenses.


MONEY JUDGMENT AND SUBSTITUTE ASSETS

The United States gives notice that it will seek a money judgment against the Defendant. In the event that one or more conditions listed in Title 21, United States Code, Section 853(p) exist, the United States will seek to forfeit any other property of the Defendant up to the amount of the money judgment.

A TRUE BILL

ORIGINAL SIGNATURE ON FILE
FOREPERSON OF THE GRAND JURY

RYAN K. PATRICK
United States Attorney

By: 
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Assistant United States Attorney
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